

ANRE vice-president: Electricity to be cheaper on the free market

From now on, electricity will be cheaper on the free market than on the universal service market, so that people should conclude new contracts on the free market if they want lower prices, Zoltan Nagy-Bege, vice-president of the National Energy Regulatory Authority (ANRE), told AGERPRES on Monday.

This is in the context in which, from January 1, 2021, the electricity market will be completely liberalized, and consumers who remain with the old contracts will pay higher bills with values between 13% and 26% on the market for universal service (former regulated market).

Asked why prices are rising so much, the ANRE representative pointed out that the market for universal service is a kind of safety net for those who are left without a supplier, so it is normal for prices here to be higher than in the free market.

"First of all, the prices are no longer set by the ANRE. The suppliers will set their universal service prices according to the energy acquisition costs. This is what we have been communicating from the ANRE for years - and this is normal - as the universal service price should be the highest price on the market, because universal service is like a safety net for consumers who, for various reasons, are left without a supplier: the supplier goes bankrupt, decides to leave the market or give up contracts. Ultimate suppliers have an obligation to take those consumers overnight and must purchase additional energy from the Next Day Market or Balancing Market, where the prices are highest," Bege explained.

From January 1, 2021, the electricity market will be completely liberalized, and the ANRE will no longer set prices for household consumers, these being calculated by the traditional supplier and will be called universal service prices.

For his part, the Minister of Energy, Virgil Popescu, advised domestic electricity consumers to conclude new contracts on the free market, where they find lower prices than they would pay if they remained with the old contracts from January 1.